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4 September 1958

Request for Intelligence on Soviet Bloc Supply and Use of Products of Continuous Cold Rolling Mills

REF : Memorandum of 13 August 1958 from Acting Director, Export Policy Staff to Chairman, EDIC

1. Referenced memorandum suggests that an approximation of Soviet Bloc utilization of cold rolled sheet and strip for civilian consumption might be made by estimating the inputs of these materials required by Bloc production of motor vehicles, refrigerators, sheet steel stoves and tin cans. Since Bloc production of these items, especially motor vehicles and tin cans, is disproportionately small as compared with that of the US, it is presumably hoped that the exercise would support a contention that cold rolled sheet and strip are used preponderantly for military applications in the Soviet Bloc, thus in some way justifying the retention of continuous cold rolling mills more than 3 high, but not their product, which is not controlled, under embargo.

2. Although such a calculation would be feasible it would provide little evidence of Bloc civilian usage of cold rolled sheet and strip unless broadened to include areas of utilization that cannot be estimated with any assurance of accuracy. Broad categories such as construction and maintenance, contractors products, machinery, industrial and commercial equipment, which are large consumers in the US, are relatively even more important in the Soviet Bloc. Furthermore, the suggested approach retains little validity when the interchangeability of hot and cold rolled sheet and strip in such applications is considered.

3. On the assumption that interchangeability between hot and cold rolled sheet and strip is much more limited in military than in civilian applications, some conclusions might be drawn, although not necessarily those desired, by projecting US military usage of these products on probable Bloc requirements and supply. For such a purpose it would be necessary for us to be provided with the appropriate US figures.

4. In our opinion the strongest support that can now be provided for the retention of this item under embargo consists of authenticated evidence of inferior technology and of serious shortage in the Soviet Bloc.

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